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HISTORICAL BACKGROUND.

In the years since the first Soviet space shot in 1957, study after study has been published concerned with Federal policy to improve information services, initially in the realm of scientific and technical information, but in recent years increasingly in the broadest scope of national information needs. During 1977/78 more than 1500 measures related to information were introduced in the House and Senate; 74 became law. They were concerned with subjects ranging from energy and clean water to food and health to foreign investments and ethics in government. This pattern continued into 1979/80, when 87 public laws were passed containing provisions directly related to information. They covered information issues involved in energy, health, education, welfare, finance, justice, confidentiality and privacy.

The result has been an increasing interest throughout government in the development of policy that would guide the Federal agencies in meeting their respective responsibilities to the public with respect to dissemination of information. Within the two years since the Task Force began its work, the number of policy reviews has dramatically increased in this area and related ones. These historical reports and recent policy documents provide the [Page 26] historical context for the work of the Task Force. In particular, the following points should be noted:

- Part of the reason for present concerns that led to the establishment of the Task Force is the fact that, whereas the original focus of Federal policy may have been in the area of scientific and technical information, there is now a vastly larger frame of reference.
- Throughout the sequence of prior reports and studies, there were several continuing threads that relate to the concern of this Task Force. One of them is the near unanimous call for "cooperation between public and private sectors". This was a matter of debate within the Task Force, so it is important to recognize that "cooperation" is not a self-evident good.
- Another thread is the repeated call for "a national information policy". This is a view which troubled the Task Force, so it is important to recognize this difference from the historical pattern.
- Some of the most current history (as represented by the events within the past two years or so) is immediately relevant to the Task Force.

INFORMATION IN THE ECONOMY & IN SOCIETY.

There has been an increasing awareness of information as something of economic value, as a commodity, as a tool for better management of tangible resources, as an economic resource in and of itself. This view of economic importance has been added to the historical recognition that information is essential to a democratic society and to the well being of both the society as a whole and the individual personally.

[1.] INFORMATION AS A TOOL & A COMMODITY.

An operational use of information, of obvious economic value, is in the management of large organizations. It would be impossible to run many of them in their present complexity without the use of information technology. This is especially true of financial institutions, the transportation industry, the computer industry itself. Emphasizing these aspects of the economic value of information, some Task Force members view information as a support to productivity rather than an end in itself. They feel that confusion arises from regarding it as other than simply a tool that allows for better management of the tangible resources represented by the other sectors of the economy.

On the other hand, other members of the Task Force see "information" as something of economic value in itself, rather than simply a means to an end. In particular, and perhaps most important with respect to the issues with [Page 27] which the Task Force is concerned, the fact is that information has value in the marketplace. It therefore can lead entrepreneurs to the development of products and services for sale. To them, an "information resource" is indeed a capital resource, an investment, and the essential tool for production of their products and services.

[2.] INFORMATION AS A PERSONAL & SOCIETAL ASSET.

Aside from the economic value in use of information, of course, is the social and personal value. The maintenance of a free press — taken broadly to include radio, television, and motion pictures as well as print — is vital. The citizens need ready access to information about the society if our democratic system is to continue to function. This role of information is so important that it is explicitly recognized in the First Amendment to the U.S. Constitution. And the values of information

in education, scientific research, technology transfer, personal development, and recreation are all self-evident.

The White House Conference [on Library and Information Services] passed resolutions that are especially germane to those values:

"...a National Information Policy (should) be studied and implemented. This should: (1) guarantee all citizens equal and full access to publicly funded library and information services; and (2) ensure government agencies at all levels work together to make available all new and existing library and information services to the maximum extent possible; and (3) protect the privacy of all segments of our society including personal privacy, economic privacy, and national security.

"...all persons should have free access, without fee to the individual, to information in public and publicly supported libraries... a National Information Policy (should) insure (that right)".

[3.] INFORMATION IN INTERNATIONAL COMMERCE.

The international aspects of the information economy are becoming increasingly important. New means of communication, the growth of multi-national corporations, and the steady growth in the trans-border flow of information products and services — all have combined to make information important in international relations as well as in the national economy.

In the international arena, considerable quantities of information products and services are being sold, exchanged, and distributed. The U.S. is the world leader in the exportation of such products and services as well as of information technologies. The result has been an increase in national "social and cultural consciousness", comments about "cultural imperialism", economically inspired interest by foreign governments to obtain a larger share of the burgeoning information market, and the development of strong national information policies by foreign governments. [Page 28]

The U.S. has, on the other hand, maintained its traditional emphasis on marketplace competition, and has not provided direct government support to the private sector information economy. Nor does it have a national policy on the development of the information infrastructure in the U.S. The result is that there is no formal channel for identifying the needs of the U.S. information industry vis-à-vis their foreign competition.

[4.] INFORMATION TECHNOLOGY.

New technologies and services offer the private sector and the government potentially more effective and less expensive ways of performing existing and new information processing functions. However, at the present time, there are a large number of areas — including many of those addressed by the Task Force — where policies make technological distinctions that may impede introduction and use by the private sector of new information technologies and the services based on them. Other policies have the effect of moving the government to favor certain information technologies and to avoid others. Many of these kinds of policy distinctions between technologies are being recognized as inappropriate, because they act to help entrench existing technologies at the same time they make it more difficult to introduce new ones.

The application of new information technologies has also created conflicts between the various parts of the information industry where none existed before, and has exacerbated many

existing policy conflicts. Newspapers, telephone companies, television, online data base services — all until very recently saw themselves as distinct from one another, largely along the lines of technology. Now those same companies are beginning to perceive that the service each has provided can be provided by other, newer technologies. As a consequence, all of these industries are rapidly becoming competitors of each other.

Because some policies appear to be interfering with realization of the full benefit of the choices of technologies and services, the Task Force feels that a major effort must be made to make policies less sensitive to the underlying technical means of performing information functions. However, the Task Force feels that the issues involved in such an examination are much broader than the specific charge to the Task Force or than the time available permitted the Task Force to identify and resolve.

THE PLAYERS & THEIR ROLES.

Vital information, generated by the government but available only through "freedom of information" procedures, is less useful than if it were in a data base or published with pervasive distribution. But delivery mechanisms must be paid for. Thus the fundamental issue is in creating methods to provide the most economic and effective means for delivery of that information as well as balancing the market mechanisms with the political ones as means for identifying what the public good is and how it should best be met. [Page 29]

The issue of who pays for things is crucial, far more so than what they cost. Access to information is always a mix of costs incurred by the creator of the information, by the service providing access to it, and by the user in getting the access (over and above what may be paid to the creator or the service). If the costs incurred by the user can be reduced, perhaps the price charged by the creator or the service can be increased. The problem, though, is that some user costs are not convertible into the payment of a price. For example, the time that it takes for a user to go to a service represents a real cost, but not one translatable for most users into dollars that could be spent for a service that reduces that time. One must consider carefully the balance between public and private funding.

Let's look at some of the participants in this process and identify their possible roles:

[1.] ROLE OF PRIVATE ENTERPRISE.

The kinds of things that the private sector can do most effectively are those which respond most directly and immediately to the needs of the marketplace and thus to the consumer:

- Marketing and active distribution
- Re-packaging to meet specific needs
- Providing speed and flexibility of response
- Reacting to new situations with minimal delay
- Anticipating and assessing potential needs
- Creating new information products and services
- Injecting private investment funds to meet the opportunities for growth

Through the interplay of private risk, profit potential, and price, the market economy allocates resources to the production of desired goods and services. Demand is measured by the voluntary payment of a price for a particular good or service. Both producer and purchaser consent to the transaction; no coercion is involved and both parties benefit. If there is insufficient demand for a product at the price which will provide a profit, the private entrepreneur may decide not to invest risk capital unless and until there is some change in the purchasers' willingness or ability to pay the price or there is a change in the means of production that leads to a reduction in costs. On the other hand, the entrepreneur may be willing to subsidize delivery of such a product in the expectation that demand will increase over time. In either case, the decision is made in terms of the individual decisions — by the entrepreneur and the purchasers. The result is that the cumulative decisions lead to the optimum allocation of resources to produce the products and services that the purchasers want, not those that a government agency determines that they need.

A specific example of the potential role of the private sector is provided by online data base services. Today it is a successful area of business in the U.S., in large part as a result of commercial development. The private sector organizations involved in it encourage the Federal government to [Page 30] make government information more readily available and equally available to all potential users at an appropriate price (preferably low, so as to facilitate distribution to the general public). Some members of the Task Force feel it is the responsibility of the private sector to distribute, with the government serving as "wholesaler". In contrast, other members of the Task Force feel that the government should have a direct role to play in the offering of such services to the public.

[2.] ROLE OF LIBRARIES.

The kinds of things that libraries can provide, because of their nature and the history of their development, are the following:

- Assure the preservation of the record
- Provide points of access to information resources, products, and services
- Provide the "safety valve" for information access for society, especially so that "ability to pay" does not prevent persons from getting access to information they need
- Provide means for distribution, on a less active basis than would be provided by the entrepreneur
- Provide the staff for general information service, in contrast to the specialized information service provided by the entrepreneur

The rationale for this role of libraries is relatively simple. In earlier days, the individual personally acquired informational and recreation materials if and as needed. Eventually the available material exceeded the individual's collecting capability. So individuals banded together and collected materials jointly. Nowadays the quantity and costs of materials exceed even the capability of the individual library, so libraries now band together in jointly managed cooperative networks for access.

Libraries are markets for information products as well as processors of information and secondary disseminators and distributors of information. But in these functions they act as a service to the ultimate users of the information, not as information users themselves; they derive economic support by providing such services, but not from the results of those services.

An important aspect of the library's philosophy of access, as far as the public library at least is concerned, is the view that there should be equity if not equality for all users. In particular, "ability to pay" should not raise barriers which effectively and discriminatively deny access to information. In part, this is a result of the historical process, but it is also a result of the nature of the library as an institution. Its costs are not generally borne by the individual user (even outside the context of the "free" public library). Thus, support of the library usually must be based on the aggregated benefits to the entire set of users of it. It is always difficult to determine aggregated benefits, but when part of the benefits are inherently difficult to translate into dollar terms, the difficulties are [Page 31] compounded. In the case of the library, part of the benefit is the assurance that information will be preserved so that it will be available when needed (the so-called "archival" role of the library); part of the benefit is the reduction in time and cost for access to the data when it is needed. Both of those are almost impossible to translate into dollar terms for most users. But the aggregated value, to society in general or to specific organizations, is great and fully justifies the support of the library. It is those aggregated benefits that the library sees in its philosophy of equity in access.

[3.] ROLE OF GOVERNMENT.

The kinds of things that government can provide are the following:

- Assure that needs are met that are regarded as important by the society as a whole even though they may not be served by the entrepreneur.
- Provide capital investment in information resources that are beyond the capacity of private investment.
- Provide for availability of information in areas, exemplified by the national census, for which it has specific responsibilities.
- When appropriate, provide subsidies (as exemplified by preferential postal rates for special classes of material or categories of users).

Some members of the Task Force feel that it is a proper role of government to provide the means of satisfying the needs of society when the mechanisms of the market fail to do so, when there is no private sector service to a community that needs it, when the costs or quality of a service are not consistent with the needs of society, when the benefits to producer and purchaser are at odds with the benefits to society, etc. The political process becomes society's substitute for the marketplace process. Other members would argue strongly against such a role.

If the government is to take an active role, however, the alternative available would seem to be:

- 1) Regulating the activities of the private sector
- 2) Changing incentives so that the forces of the marketplace will fill the needs
- 3) Providing subsidies to producers or consumers
- 4) Directly intervening in the marketplace, providing products and/or services in commerce as a government activity.

Turning to the first and second alternatives, perhaps the most important point is the recognition that the Federal [Page 32] government should see itself in a role of leadership rather than of management, in partnership with the private sectors rather than in control of them. The main thrust of the recommendations that will be presented in this report is therefore toward identifying those

policies that would foster that kind of interaction, with the Federal government creating a climate in which development would become a reality.

On the surface, that may appear almost to be a truism, something that is so integral to our form of government and to national economic policies that either it doesn't need to be said or at most needs simply to be continually re-affirmed to assure that it remains central to our national ethos. But the facts are that the growth of information activities in our society poses almost unique problems in the relationships between government and the private sector. Whereas it has long been true that agriculture, industry, and consumer service functions in our economy have been carried out largely or entirely by the private sector (rather than the government), the government has long had a tradition of generating, collecting, and disseminating information of all kinds.

Turning to the third alternative, some members of the Task Force would argue that government subsidies may always be necessary to assure that the results of valuable research are not left unpublished and unused simply because the market is small and the costs for distribution therefore prohibitive. The value of research information is frequently seen only long after publication. Other members would strongly argue that such subsidies are neither warranted nor desirable. They would raise questions about why subsidies were needed; if so, however, the problem is how those subsidies should be provided: to the user? through government agency services? to the creators of the information? to the distributors?

Turning to the fourth and final alternative, the direct entry of the government into commerce, providing information goods and services, the fact is that much of government is involved in developing and disseminating information. It is difficult to find examples of governmental activities that are not information processing, since they function largely on the basis of collecting and distributing information. But beyond that, the government has been a major source for a significant proportion of the information used in the private sector as well as in government itself.

The involvement of the Federal government in providing direct, operational information products and services has steadily increased, so that the government has become not only the source of a large proportion of information used by society but the means for access to and distribution of that information.

Some measure of the magnitude of government publication programs is given by *The Library of Congress 1978 Survey of Publications Policy* which listed the number of publications distributed by each agency. The results show that, by any measure, this is a major publishing activity, perhaps the largest in the world. As a result, the opportunities for conflict between this activity of government and comparable activities in the private sector are growing.

INTERACTIONS AMONG THE SECTORS.

Which brings us to the specific issues involved in the interactions among the several sectors, as they were considered in the deliberations of [Page 33] the Task Force. In each case, we will briefly characterize the issue involved, and discuss the differences in viewpoint expressed by the various members of the Task Force. Sometimes these differences were expressed overtly and specifically; sometimes they were evidenced by controversy over the definition of terms, the wording of statements, the inclusion of examples; sometimes they led to draft text identifying positions.

[1.] [ROLE OF GOVERNMENT.]

The most basic issue of controversy, of course, related to the role of government. Is it to be an active agent in solution of problems and in meeting perceived needs of groups in the population? Or is it to be limited, serving solely as the means for establishing the framework within which other sectors of the society solve those problems and identify and meet the needs?

Normally, an issue of controversy can be characterized as a mix of positions, rather than as a stark dichotomy. In those cases, the problem is usually one of emphasis, of priorities, of the proper mix. But in the case of this issue, the division does appear to be dichotomous and probably irreconcilable. It is not so much a matter of "capitalism vs. socialism", since there seems to be none on the Task Force that would urge that the government should "take over" any segment of the information industry. It does seem to be a matter of whether or not the government should provide any services that could be provided by the non-governmental sectors.

Those that would argue for restricting government will use terms like "competition from the government" and are concerned about how to control the incursion of government into ever increasing areas of activity. Those who would argue for allowing the government to be an active agent (in distribution of information) will use terms like "market failure" and are concerned about how to meet needs that the forces of the marketplace appear to miss.

This all seems to reflect the fact that public policy dealing with information is bound to be heavily colored by the political philosophies underlying conservative vs. liberal approaches to the role of government.

[2.] COOPERATION AMONG THE SECTORS.

These differences are even reflected in a related issue: Should the sectors be regarded as cooperating in the process of distribution of information? Some members of the Task Force see government and the private sector as cooperating components, each meeting needs of society in the way that it best does; others see them either as competitive or, at most, as complementary without a pattern of sharing responsibility. Since many of the previous studies and reports have recommended "cooperation between the public and private sectors", it is especially important to note that this has become an issue of controversy in the Task Force, rather than an accepted truth.

It is important to identify the reasons for bringing the issue of cooperation into question, so that it doesn't appear to be a frivolous matter. Throughout the Task Force discussions, the relevance of the [Page 34] "press model" was repeatedly recognized, with the view that information taken broadly should be governed by the principles embodied in the First Amendment to the Constitution. In that frame of reference, the "press" and by analogy "information", more broadly taken, should never be under the commitments to support and participate with the government, to some extent yielding the independence of action so vital to an effective free press. It is for this reason that concern about "cooperation", desirable though it may appear on the surface, was expressed.

[3.] GOVERNMENT "IN COMMERCE".

Perhaps the most crucial aspect of both of the above listed points of controversy is the entry of government into the marketplace — "in commerce". Some members of the Task Force see that as a threat to private enterprise, to the balance between government and the private sector, to the controls

on government through the political process. If government agencies function as though they were commercial enterprises, with income on which to finance their operations, they become competitors of the private economy, to some degree independent of political controls but also without the market controls that limit private enterprise.

[4.] AVAILABILITY OF INFORMATION.

The question of whether there is a responsibility to ensure the availability of information has been a point of controversy in the Task Force. Some members regard it as essential that availability not be limited by the financial resources of the individual. They would argue that there is a responsibility to ensure equity, if not equality of access. Others regard availability as purely an economic issue, with the need for information to be determined by the marketplace. They would argue that it would be a mistake to attempt to satisfy the perceived needs of small groups — such as a single person — simply because they were not being met by the available sources; the marketplace should determine what information is provided.

In that context, the Task Force discussed the concept of a "subsistence level" for information, comparable to those for food and housing, with the view that the individual citizen needs information for both personal life and to fulfill responsibilities as a citizen. However, some members of the Task Force consider that the only issue in availability of information is timeliness. They see the need as simply to improve the speed of delivery. They regard the notion of "information subsistence-level" as leading to subsidies which would ultimately be unwise and unjustified. Other means should be found, especially ones that would depend upon private sector approaches.

CURRENT POLICY STATEMENTS.

Several efforts are currently underway in the Federal government to provide the policy guidance necessary to avoid or to resolve those conflicts. [Page 35]

[1.] PAPERWORK REDUCTION ACT OF 1980.

The Paperwork Reduction Act of 1980 has assigned major responsibility to the OMB to regulate the activities of Executive Branch agencies with respect to information acquisition and distribution. This is the most recent and most dramatic step. It must be recognized though that the Paperwork Reduction Act deals primarily with information activities within the government itself, not with the relationship of them to the private sector information products and services.

[2.] CIRCULAR A-76.

The General Accounting Office is conducting a study of Federal information activities, and the Office of Management and Budget is revising Circular A-76 to clarify the circumstances under which the government should be involved in the business of information dissemination. The principal guidance of A-76 is clear:

In a democratic free enterprise economic system, the government should not compete with its citizens. The private enterprise system, characterized by individual freedom and initiative, is the primary source of national economic strength. In recognition of this principle, it has been and continues to be the general policy of the government to rely on competitive private enterprise to supply the products and services it needs.

The problem is how to interpret such guidance in specific situations where the objective of relying on the private sector appears to conflict with the need to provide needed services to the public. Even more difficult problems arise when the private sector develops capabilities to provide services initially provided by the government, or vice versa. Furthermore, it is important to recognize that the identification of need for government action is essentially a political problem, not an administrative one. The decision needs to be made as a result of the political process, not the bureaucratic one. Finally, it must be recognized that the context for Circular A-76 is really quite different from that of concern to the Task Force. Circular A-76 relates to the desirability of government contracting for services it needs, rather than to its providing services to the public.

[3.] **JOINT COMMITTEE ON PRINTING.**

The 1979 review of policy issues by the Joint Committee on Printing identified policy issues with respect to (1) administration of policy, (2) Federal government printing production and procurement, (3) impact of new technology, (4) access to and distribution of government information, (5) the depository library program, and (6) the pricing of government information. Six topics were analyzed in depth: [Page 36]

- 1) How much centralization of the Federal government printing and publishing program is possible or desirable?
- 2) How accessible should government information be? Who should pay for it: the source, the publisher, the user? Should it be available in any format? What should be the roles and relationship between public and private disseminators?
- 3) What is the impact of new technology on government's printing and dissemination system? On organizational structures? On labor?
- 4) What is the role of the depository library program? Is there a benefit to competing suppliers of government information? What fiscal support should the Federal government lend to programs providing public access to its information?
- 5) Who should establish and administer policy in the generation, production, and dissemination of government information? Are enforcement tools necessary?
- 6) How much should government information cost the citizen? Should any users be subsidized? Is government information an economic good and/or a social good? What is the role of the marketplace?

[4.] **DRAFT OMB CIRCULAR.**

In the draft OMB circular, the following principles were suggested:

a. Public information held by the Federal government shall be made available to the public in an effective, efficient and economic manner.

"b. All other information shall be subject to release to the public unless exempted by the Freedom of Information Act, other law, or potentially subject to claims of privilege in litigation. However, even information which is exemptible may be released unless prohibited by law, executive order or regulation.

c. Information is not a free good; however, no member of the public should be denied access to public information held by the government solely because of economic status. In particular, the Federal government shall rely upon the depository library system to provide free citizen access to public information.

d. Information available through a mechanism other than the depository library system shall, unless required by law or program objectives, be made available at a price which recovers all costs to the government associated with the dissemination of such information. Information released in accordance with the Freedom of Information or Privacy Act shall be made available at such fees as required by the appropriate law. Fees for [Page 37] information shall be waived or reduced when in the public interest and permitted by law.

e. The Federal government shall, in accordance with OMB Circular A-76 and where not inconsistent with law, place maximum feasible reliance upon the private sector to disseminate public information.

f. The head of each executive department and establishment, consistent with existing laws, has primary responsibility for determining what information will be made available to the public, the methods to be used in making it available, and the price to be charged.

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